GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1989
ANSWERED ON:05.08.2005
FOOD PROCESSING STOCKS
Saradgi Shri Iqbal Ahmed

Will the Minister of FINANCE be pleased to state:

(a) whether attractive valuations, and expected growth rate in the near future and Government`s thrust on agriculture and agro-related business have all led to a surge in the food processing sector with some stocks of the sector appreciating up to 100 per cent in the past one month since 2nd May, 2005;

(b) if so, the details of appreciation of the stocks of food processing sector during the last three months;

(c) whether market capitalization of this sector also witnessed a rise of almost 20% in the last one months; and

(d) if so, steps the Government proposes to take to meet food processing stocks which are on rise and keep up the momentum in the stock market?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) Yes, Sir. The Stock Exchange, Mumbai, (BSE) has informed that it does not have any index on food processing sector, and in the absence of the same, the classification given by `Capitaline` has been used to categorise the companies under food processing sector. Based on the above classification, there were 33 companies, which were traded on the Exchange during the month of May, 2005 (in case the scrip is not traded on May 2nd the price comparison is done with the earlier last trade price). The following stocks have risen by 100% or more in the past one month during the period May 2,2005 to August 2, 2005.

Name of the scrip	% rise from 2.05.05 to 2.06.05	2.06.05 to 1.07.05#	1.07.05 to 2.08.05
Aridhi Hi-Tech	155.17	-	-
Mefcom Agro Products	-	-	122.25
Tai lnds.	-	139.48	-

(b) The details of appreication of the stocks of food processing sector during the last three months (i.e., from May 2,2005 to August 2, 2005) are as follows :

Name of the scrip	% rise
Sapatarishi Agro	312.00
Tai Inds.	254.55
Aridhi Hi-Tech	217.24
Wefcon Agro Inds	148.92
Freshlrop Fruits	137.72
Trans Techno	125.45
Nijjer Agro	125.39
GRM Overseas	105.56
Himaiya Intl.	99.63
Tasty Bite Eat	81.17
Saboo Sodium	80.46
Mount Everest	70.09
Agro Dutch Inds.	69.50
Shah Foods	62.88
DFM Foods	54.71
REI Agro	54.46
Chordia Food	47.29
ADF Foods	46.04
Lakshmi Overseas	42.05
Kothari Ferment	41.33
Foods & Inns	38.85
Sunil Agro Foods	37.50
Flex Foods	35.79

Super Bakers (I) 32.00
Chamanlal Setia 25.82
SKM Egg Products 25.61
Hind Inds. 18.40
Satnam Overseas 12,99
KRBL 9.01
Bambino Agro Ind 4.44

(c) Yes, Sir. BSE has informed that the market capitalisation of these 33 companies has risen by nearly 19.3% during the period between May 2, 2005 to May 31, 2005.

(d) The objective of the Government and the Securities and Exchange Board of India (SEBI) is to ensure that capital markets operate in an orderly, transparent, safe and fair manner. SEBI has taken several surveillance and risk management measures for protecting market safety and integrity. SEBI keeps under constant watch the developments in the capital markets in consultation with the stock exchanges, depositories and other agencies for detecting and preventing any manipulation and taking deterrent action.